Manitoba

Annual Report 1986 - 87

Business Development and Tourism

Manitoba

Minister of
Business Development
and Tourism

Winnipeg, Manitoba, CANADA
R3C 0V8

To His Honour
Dr. George Johnson
Lieutenant-Governor of Manitoba

May It Please Your Honour:

I have the privilege of presenting for the information of Your Honour the Annual Report of the Department of Business Development and Tourism for the period beginning April 01, 1986, and ending March 31, 1987.

Respectfully submitted,

Hon. Al Mackling
Minister of Business Development and Tourism

Manitoba

Deputy Minister of
Business Development
and Tourism

Winnipeg, Manitoba, CANADA
R3C 0V8

To His Honour
Al Mackling
Minister of Business Development and Tourism

Dear Sir,

I am pleased to submit for your consideration the Annual Report of the Department of Business Development and Tourism for the fiscal year 1986-87.

In keeping with the guidelines for Annual Reports, emphasis has been placed upon the provision of expenditure explanation for all areas of the department in this year's report.

Respectfully submitted,

Barry Bernhard
Deputy Minister

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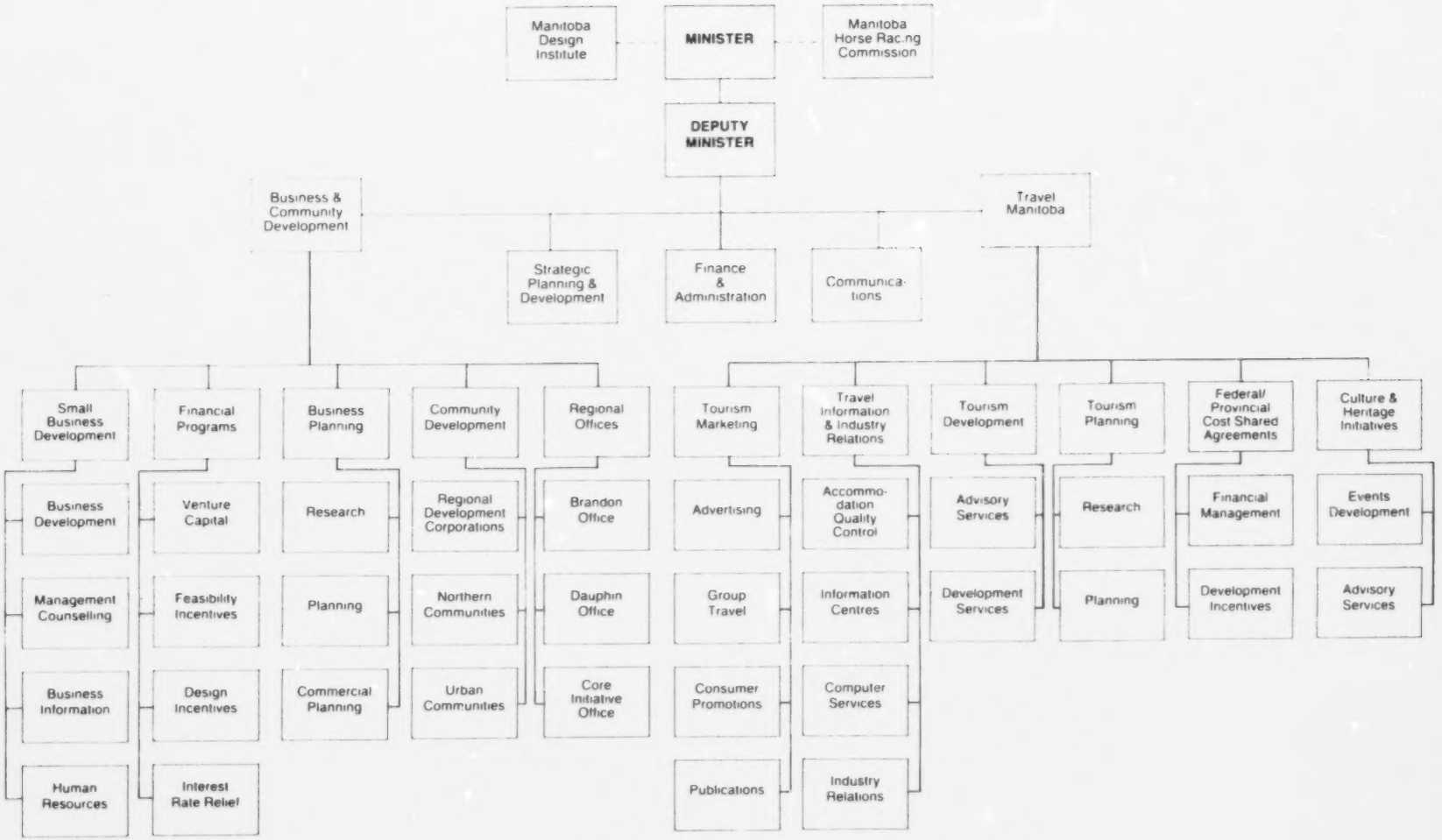
Organization Chart — Manitoba Business Development and Tourism — 1986-87



Overview

During 1986-87, many opportunities for small business and tourism development were created throughout Manitoba. Hundreds of small businesses, or approximately 93 percent of all Manitoba firms, make up individual sectors of the provincial economy. Moreover, these businesses contribute to Manitoba's impressive economic growth, the second-best in Canada for 1986.

The challenge is at hand to harness the entrepreneurial change, thereby creating further employment opportunities for Manitobans. In addressing this challenge, the department has provided the impetus and assistance needed to encourage economic growth and job creation. In order to increase the number and quality of new enterprises and expansions and to improve the viability of existing small business and tourism operations in the province, the department has administered a variety of programs aimed at achieving economic development.

Manitoba businesses were enabled to become more productive and competitive by adapting advanced technology to their operations through the aid of the department's Manufacturing Adaptation Program. The Venture Capital Program assisted selected new and existing Manitoba small businesses by injecting much needed equity capital into them. Entrepreneurs and businesses took advantage of the personalized marketing assistance provided through the Manitoba Marketing Network. The Network is a private/public partnership between the department and successful members of the business community who volunteer their expertise and experience to both budding and seasoned entrepreneurs.

In addition to these specialized programs, the department provided ongoing training, financial assistance and consultative services to Manitobans throughout the province. The branch of Regional and Community Development aided a number of groups and organizations in both urban and rural settings, including community organizations, women's, youth and native groups in developing economic growth and job creation in their respective regions.

Training is an important aspect in developing economic development. The department's business development centres in Dauphin, Brandon and Winnipeg continued to provide this important ingredient to both prospective and existing entrepreneurs.

One of the more significant influences this past year has been the growing importance of the Canada-Manitoba Tourism Development Agreement and its associated program activities. This five year Federal-Provincial Agreement seeks to develop destination areas and resort-oriented facilities throughout the province with appeal to both specific and broad travel markets.

Manitoba is continuing to enjoy a steady growth of its tourism industry with revenues for 1986 at $662 million. It is anticipated that this figure will be exceeded in 1987, pushing closer to the $700 million figure.

Business Development and Tourism will continue to take a proactive approach in developing economic diversification and job creation for Manitobans, dove tailing the department's thrust with Manitoba's impressive economic growth rate, coupled with one of the lowest unemployment rates in the nation.

Department of Business Development and Tourism

Objective (1986-87):

During the fiscal year 1986-87, the primary objectives of the Department of Business Development and Tourism were:

1. To increase the overall number and quality of new enterprises in Manitoba.
2. To maximize the viability of existing small businesses throughout the province.
3. To facilitate the expansion and development of existing small businesses in the province through a variety of support services.
4. To meet Tourism Marketing objectives for Canadian Primary and Secondary Markets; U.S. Primary and Secondary Markets and emerging markets overseas.
5. To foster development of Manitoba's tourism industry, products and plant through the mechanism of the Canada-Manitoba Tourism Development Agreement.

Strategic Planning and Policy Development

The objective of the Strategic Planning and Policy Development section is to advise senior management on policy development initiatives and to provide department-wide co-ordination of the ongoing planning process, thereby ensuring that all branch/sections and resources focus on the achievement of stated department policy aims in the most effective manner possible.

It is the responsibility of the branch to provide strategic planning, policy and program development/analysis along with project development and assessment services to the entire department. The branch also co-ordinates business development and tourism policies through the provision of inter-department liaison in these matters.

1. Planning Process
   Co-ordination of the departmental planning process, including the organization and operation of the Departmental Strategic Planning Session.
2. Computer Systems
   Rationalized the use of electronic mail within the department, conducted facsimile machine pilot project and provided ongoing computer assistance to the Business and Regional Development Division.
3. Databases
   Structured pilot AIM (Automated Information for Management) database within the department, examined prototype for Business Names database and developed the Small Business Bulletin.
4. Support Services
   The branch assisted in the co-ordination and compilation of departmental estimates. As well, it was involved in the information co-ordination of briefing documents for the Minister and Deputy Minister in addressing issues related to the Legislature and Federal/Provincial conferences and working groups.

Finance and Administration

The Department of Industry, Trade & Technology, Finance & Administration Branch provides this service to the Department of Business Development & Tourism.

Finance and Administration provides specialized functions and support in accordance with government policy and regulatory procedures set out by central agencies within the provincial administration.

The main administrative functions are financial management and accounting; personnel; motor vehicle administration; stock control; central registry and filing; central photocopying, and business library. These functions are service oriented with emphasis on response to demand.

Communications

The primary objective of Communications is to assist the Department of Business Development and Tourism with the communication/promotion of all programs relating to its strategic priorities by developing and supporting departmental communications with the public.

Communications provides publications assistance and related information services for the department. During 1986-87, this included advice on the development and production of developmental publications and a variety of promotional materials, along with communications strategies and support materials designed to achieve positive public and media relations.

Communications responded to requests from all department levels for a variety of communication materials, including brochures, pamphlets, news releases, speeches, etc. As well, the section responded to general inquiries and requests from the public.

To assist new and expanding business operations, Communications also provided advice, organizational and promotional support for formal openings of new manufacturing and business operations, including press conference and media planning.

Business and Regional Development

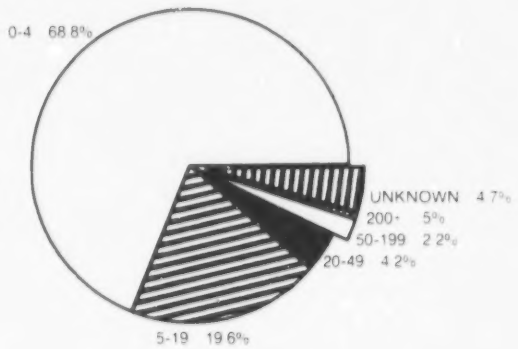
The objective of the Business and Regional Development division is to increase the number and quality of new enterprises and expansions and to improve the viability of existing small business operations in Manitoba.

The division assists rural and northern clients, groups and organizations, including special interest and ethno-cultural associations, to develop indigenous industrial and commercial projects and opportunities. The programs and services provided by the division are fully integrated and complementary and the total available resources of the division are accessible to the benefit of any specific project or client.

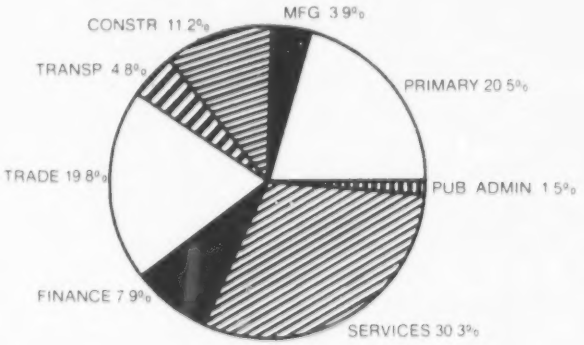
At the end of the 1986 calendar year, 41,379 firms, or 93% of the Manitoba total of 44,660 firms, were small business, i.e. firms with fewer than 50 employees. Furthermore, fully 88% of all firms in the province had less than 20 employees. The majority of small businesses, about 70%, were based in the service, trade and primary industry sectors.

The charts below show the distribution of all firms in the province by employment size and small businesses by industry sector for year-end 1986.

INDUSTRY STRUCTURE BY EMPLOYMENT SIZE
MANITOBA



DISTRIBUTION BY INDUSTRY
Small Business (0-49 Employees)
MANITOBA



SOURCE: STATISTICS CANADA BUSINESS REGISTER END-YEAR 1986

Administration and Planning

The objective of Administration and Planning is to provide the vital logistical support required for the effective implementation of the small business and regional development programs. In addition, Administration and Planning ensures that senior management of business development receives the planning assistance needed to integrate business development activities with other department activities.

Through co-ordination of program implementation for business development, Administration and Planning is called upon to administer special projects, e.g. regulatory review and federal-provincial negotiations of Canada-Manitoba Agreements, along with the Youth Entrepreneurship and Employee Programs.

Regulation Review Task Force

The Regulation Review Task Force was established by the Minister of Business Development and Tourism in August of 1985. Its purpose was to study ways to reduce inefficiencies and costs due to regulatory controls, minimize time delays through the regulatory process and reduce the impact of paper flow and the time spent by small business in completing required forms. As well, the Task Force looked at ways to eliminate redundant regulations and make others more effective.

The Task Force reported in 1986 and following public hearings throughout Manitoba, the Task Force reconvened to discuss recommendations and review consultant findings regarding small business paper burden.

Employee Participation — Gain and Equity Sharing

The purpose of the Employee Participation — Gain and Equity Sharing Program is to provide Manitoba business and employees with information, training and financial assistance to increase both gain and equity sharing systems in Manitoba. Funding is provided through the Manitoba Jobs Fund.

The program continued to provide Manitoba businesses and employees with information on gain and equity sharing arrangements in Manitoba.

A major study was completed in 1986-87 which examined the feasibility of a Labour Sponsored Investment Fund in Manitoba.

Youth Entrepreneurship

The purpose of the Youth Entrepreneurship Program is to inform young Manitobans of the career opportunities available to them as small business operators and assist them in starting their own enterprise. The program is financed through the Jobs Fund.

The program is now into its third year of operation. The provision of information, about the career option of starting businesses, to students at the Winnipeg and Brandon Career Symposiums was most successful. Some 6,000 "Serious Pursuits in the Small Business World" brochures were distributed in Winnipeg and 4,000 in Brandon. The interest shown in entrepreneurship by both students and their parents is most encouraging.

Support to the Manitoba School Councillors Association in the form of staff and financial resources to assist with the organization of the Winnipeg and Brandon Career Symposiums also continued.

Winnipeg Business Development Centre

The objective of the Winnipeg Business Development Centre is to provide a total "one-stop" resource for small business by providing access to a variety of information, educational, technical and business consulting services.

During the 1986-87 fiscal year, all activities of the Winnipeg Business Development Centre have seen a dramatic increase with some areas showing a 60% rise in participation and usage of programs.

Program Activities:

1. **Small Business Information**
   The Centre provided assistance in the form of advice, counselling and information to 8,871 clients in Winnipeg and rural Manitoba during the fiscal year 1986-87. The service is provided by telephone, mail and personal meetings with potential and existing entrepreneurs. A total of 28 self-help booklets in a series entitled "Small Business Management Systems" and another called "Entrepreneurs' Handbooks" were developed and updated by the Centre during the fiscal year. A three-stage self-evaluation entrepreneurial guide to starting a business was developed during this fiscal year. An Automated Information Management system was also tested and piloted for possible future implementation.

2. **Management Development and Training**
This program offers courses and seminars in Winnipeg and communities throughout the province to enable entrepreneurs to develop innovative strategies and improve existing management skills. Specialized classes are also provided to meet the unique needs of women entrepreneurs "to-be" and business people from various ethnic backgrounds. During fiscal year 1986-87, approximately 2,444 participants attended 116 courses and seminars. A number of these entrepreneurial development programs were delivered through the Winnipeg School System and other co-operating bodies. An audio-video resource centre has been developed with films and tapes relating to small business management. These resources are available to the public at no charge. The Master of Business Administration (MBA) Student Consulting Program assisted 13 small business clients during the summer of 1986.

3. **Small Business Counselling**
This program provides assistance to businesses in a number of sectors, including retail, service and manufacturing. Services are offered in accounting and financing, marketing, production and general business. The consultants at the Centre provided assistance to 770 Winnipeg clients and 263 rural clients during the fiscal year.

The Rural Business Counselling Initiative conducted a pilot project in the St. Pierre/St. Malo area. Sixteen local business people took part in both the one-on-one counselling sessions and the seminar phase of the program. The success of this pilot program has led to the delivery of this initiative on an ongoing basis. Four communities are scheduled to receive this service in 1987-88. In addition, Counselling Assistance to Small Enterprise (CASE) assisted 61 clients in rural Manitoba by cost-sharing consulting fees.

4. **Manitoba Design Institute**
The activities of the MDI were delivered through the W.B.D.C. The MDI's Annual Report is included in this publication (see page 18). Design Assistance for Small Projects provided assistance on a cost-shared basis to 22 clients.

Business Development

The objective of the Business Development is to improve the operational performance of small manufacturing and processing firms within the small business sector and to increase the level of economic activity, capital investment and job creation in this sector.

The Business Development provided support to 75 projects during the 1986-87 fiscal year which resulted in the creation of 402 new jobs. Many new and innovative projects were undertaken concerning a diverse range of products. These included such products as world class rotational molding equipment, ozone generators, and a radon prevention device.

The staff development officers provided direct support to the small manufacturing sector in a broad range of functional business areas. Staff assisted companies in identifying opportunities that could be developed. The staff worked with many small companies to develop an appropriate development package utilizing programs such as the Venture Capital Program, Manufacturing Adaptation Program, Technology Commercialization Program and Department of Regional Industrial Expansion. Assistance was provided to many small manufacturers resulting in the creation of new jobs, an increase in sales, productivity and profitability.

Technology is impacting on all areas of business and the branch staff has worked with the small manufacturing sector to ensure that they are aware of the changes that are occurring and are taking the necessary action to remain competitive.

Manitoba Marketing Network, Inc.

The Manitoba Marketing Network, Inc. is a private/public partnership between the Department of Business Development and Tourism and members of Manitoba's business community. With the co-operation and support of key members of Manitoba's business community, the Marketing Network was established to facilitate the sharing of practical marketing knowledge and current market intelligence between established business executives and new or expanding businesses in need of marketing help. The Network is made up of entrepreneurs and business executives who are currently active in running successful businesses; they are not consultants by profession but are successful marketing practitioners.

Business persons in need of marketing advice are interviewed and then matched by the Department to a member executive with expertise in the appropriate area. One-on-one consultation is then provided, with follow-up assistance as required. Over 50 small businesses benefited from this personalized service during 1986-87.

In addition, an individual problem solving workshop was held in Winnipeg on January 27, 1987. Twenty-two small businesses received personalized advice and assistance from 13 volunteer executive members during this event. Membership in the Network grew to 20 volunteer executives, including representation from Brandon, Dauphin, Selkirk, Winkler and Winnipeg.

The Department furnished a grant of $30,000.00 to the Manitoba Marketing Network to cover administrative and public information expenses.

Regional and Community Development

The objective of Regional & Community Development is to provide advice and assistance to individuals, groups and communities who wish to undertake initiatives to create permanent jobs through local economic development within their communities and regions.

The prime focus of Regional and Community Development activities is with local economic development organizations in (a) rural Manitoba, (b) native communities, (c) the Winnipeg Core Area, and (d) special needs groups. It is divided into three units; Regional Development, Community Development and Remote Community Development.

Program Activities:

1. **Regional Development**
   The Regional Development Unit provides support to Regional Development Corporations. The RDC's are non-share capital corporations controlled by member municipalities and funded by municipal members, corporate members and the Province. Total provincial funding for 1986-87 was $593,300.

   The primary purpose of the RDC's is to create or maintain permanent productive employment in a manner that is consistent with the improvement of the total environment of their communities and regions and thus the quality of life for all their residents.

   The six active RDC's are Central Plains Inc., Eastman Regional Development Inc., Interlake Development Corporation, Norman Regional Development Inc., Parkland Regional Development Inc., Pembina Valley Development Corporation.

In addition to the activities of the individual RDC's, this year was highlighted by the growth of the Community Profiles (developed by the RDC's in 85-86) into a functioning tool useful to investors interested in the Manitoba infrastructure. Other major ongoing initiatives include support to local community economic development committees, the provision of advice and assistance to local businesses, management of development projects and the co-ordination of job creation and job training programs.

2. **Community Development**
   The primary purpose of this unit is to assist community-based development organizations, including special needs groups, who desire to assume responsibility for economic development via business-generating activities in their communities. Assistance in the areas of organizational development, preparation of community economic development strategies and the identification of new business opportunities and project management is provided. The unit works directly with the communities and also acts as a liaison between these communities and the relevant departments in both the federal and provincial governments.

   Community Development Program
   The Community Development Program, established in 1985, provides grants to communities or groups of communities who wish to assume responsibility for their socio-economic development. Major activities carried out under this program are organizational development and preparation of community economic development strategies. Program grants, to a maximum provincial contribution of $20,000, are matched on a 50/50 basis by the communities.

   During the year, the Community Development Program provided funds to the following organizations to assist them in their economic development plans:
   1. the Cranberry Portage Economic Development Commission — $1,000*
   2. the Morris/St. Jean Development Committee — $10,000
   3. the South Eastman Development Committee — $8,000

   * This grant levered on a matching basis $6,000 and $4,000 out of the Mining Community Reserves Fund for the City of Flin Flon and the Town of Snow Lake respectively.

3. **Remote Communities Economic Development Program**
   This program provides communities in northern Manitoba with professional business advisory services to foster entrepreneurial activities and socio-economic development through local initiatives. Program staff are also involved in inter-departmental programming and policy development activities aimed at improving the economic circumstances of aboriginal people.

   During the fiscal year 1986-87, program staff provided business consulting assistance to 53 entrepreneurial clients who required information and guidance in preparing their business plans, financial projections and financing applications. As well, staff conducted ongoing economic planning and opportunity identification activities with 13 community and/or aboriginal peoples' development corporations resulting in 10 community-owned projects/businesses which have involved themselves in previously under-utilized aspects of the resource sector. Information and advisory services to staff development officers of northern and aboriginal organizations have also assisted these groups to more effectively achieve their business objectives.

Brandon and Dauphin Business Development Centres

The objective of the Brandon and Dauphin Business Development Centres is to promote and stimulate entrepreneurial endeavors among individuals and groups to enhance the business climate of Westman and Parkland areas.

Activities:

1. **Business and Entrepreneurial Development**
   The Centres provide a "one-stop" shop for resources. The Brandon Centre has a staff of four and also houses a Manufacturing Engineer — Manitoba Research Council consultant. Approximately 1,400 business and tourism enquiries are handled annually. The Dauphin Centre is staffed by one consultant, a part-time administration person and handles 600 inquiries annually.

2. **Management Consulting**
   The Centres provided consulting services to a varied selection of firms in the past year. Staff assisted with the preparation of business plans that included identifying business opportunities and encouraging capital investment in the region and strived to improve management capabilities in the areas of community entrepreneurial endeavors.

Several of these firms required extensive support in the areas of financial/grant application preparation, marketing, production, personnel, accounting/bookkeeping and technical/design.

The Centres also provided advice and assistance to individuals and businesses seeking access to government financial programs including the Canada-Manitoba Tourism Development Agreement, the Venture Capital Corporation program, Jobs Fund Wage Assistance, Feasibility Assistance for Small Manufacturers (FASM), Technology Commercialization Program, Design Assistance for Small Projects (DASP), Department of Regional Industrial Expansion (DRIE), Manufacturing Adaptation Program (MAP), Industrial and Regional Development Program (IRDP).

The Business Development Centres provided coordination and support services to the Department of Employment Services and Economic Security through the delivery of the Youth Business Start Program. Funding was available from April 1986 to October 1986. Approximately 89 application/inquiries were fielded through the Centres. Approximately 15 1/2-day orientations were held at the Centres.

3. **Management Training and Development**
Seminars initiated by the Centres included a Manitoba Marketing Network presentation, "Introduction to Microcomputers," Lotus Level I and II training, Selling Techniques and presentation.

The Swan River Chamber of Commerce and the Dauphin Centre co-operated to deliver a Re-Entry Project. The Assiniboine Community College Parkland Campus utilized Business Development and Tourism course kits to deliver "ABC's of Selling, Marketing and Understanding Your Customer."

Business Management courses delivered by the Centres included: 30 hour bookkeeping courses held in Onanole, Swan River and Dauphin and Financial Management held in Brandon.

4. **Outreach Activities**
Contacts made in the Community Information Program were maintained. This included continuing contacts in 35 communities in Western Manitoba and the Parkland area. Community contacts and centre staff exchange views on the communities' concerns regarding business and economic development, departmental resources and programs. Communities provided assistance with the development of the Regional Development Corporation Community Profile System. Information was gathered to update the profile system.

Regular monthly visits were made to Swan River and Roblin municipal offices to provide services to the rural areas. Contacts were established with new Chambers of Commerce presidents to encourage communications and develop training programs to meet the communities needs.

5. **Community Activity**
The Brandon Centre employed two Student Temporary Employment Program (STEP) students for a period of 10 weeks in 1986-87. One Assiniboine Community College Business Administration student was placed within three businesses to receive practical work experience. She utilized the Centre's resources throughout the placements. Business placements included Westoba Business Equipment, Westoba Credit Union, Cross Country Publications. The other student was utilized at the Brandon Centre to update community profiles, directories and assist with data processing.

The Centres maintain a strong link with the following agencies and community organizations. Consulting activity has increased as a result of these working relationships.

Federal Business Development Bank
Brandon Industrial Commission
Dauphin and Area Chambers of Commerce
Brandon and Rural Chambers of Commerce
Tourism Industry Association of Manitoba
Service Clubs
Educational Institutions
Manitoba Metis Federation
Youth Employment Centre
Canada Employment and Immigration Centres
Brandon Career Symposium
Dauphin Economic Development Committee
Manitoba Marketing Network
Parkland Regional Development Corporation
Snow Lake Development Centre
Winnipegosis Development Board
Assiniboine Community College Parkland and Brandon Campus
Dauphin Opportunity Centre
Venture Corporation of Brandon
Waterhen Development Board
Route 83 Association
Manitoba Highways Traffic Board
Communities Economic Development Fund
Canada Farm Labour
Riding Mountain National Park
Community Development groups
Area agencies

Venture Capital Program

The objective of the Venture Capital Program, launched in 1983, is to stimulate the flow of equity capital into selected small and medium sized Manitoba businesses. A secondary but important objective is to bring the expertise of private investors to the small business.

Under the program, private investors and the Province purchase shares in a Venture Capital Company (VCC) on a 65-35% basis. The VCC in turn invests in the equity of eligible businesses. Qualifying businesses include manufacturing and processing, certain tourism operations and facilities, computer software production, research and development, commercial air and water transportation, welding and machine shops, services related to the agricultural and forestry industries, film production.

The program is a Jobs Fund initiative, but is administered by the department. A private sector advisory board assesses proposals for recommendations to the Minister.

During the period April, 1986 to March, 1987, nine VCC investments were approved, totalling $2.8 million (Province — $1.0 million; private investors — $1.8 million) in small Manitoba companies. Program totals for its four years of operation are 73 VCC's formed, 43 companies supported, total equity investment of $16.6 million (Province — $5.8 million) with 1,000 jobs created or maintained.

Of the total funds provided through the program, 70% has been invested in the manufacturing and processing sector with the balance in research and development, computer software, farm equipment repair and tourist related projects.

The program has assisted Manitoba businesses in a variety of ways:

— Enabled Manitoba investors and employees to acquire businesses which were to be divested or closed by foreign or out-of-province interests.

— Assisted in establishing new businesses.

— Enabled employees to invest in their own company to help it expand.

The Province's investments of $305,000 in two VCC's have been repaid and further pay-outs are anticipated. Since 1983 only, seven out of 43 companies have closed and one reorganized under new ownership. This represents about 16% of the total. Usually the firms closed because the markets for their products either fell off or did not develop as anticipated.

The overall performance of the VCC Program compares favourably with private sector venture capital companies. According to industry sources a failure rate of 20 to 21% is the business norm.

Manufacturing Adaptation Program

The objective of the Manufacturing Adaptation Program, introduced in fall 1986, is to encourage both new and existing small Manitoba manufacturing and processing businesses to adapt advanced technology to their operations. The focus being to increase Manitoba's productivity, quality, competitiveness and exports, while ensuring that there is a minimal disruption to the existing work force.

Under the program, firms can receive assistance for technology adaptation studies which examine the feasibility of introducing high technology to their manufacturing and processing operations. These studies are cost-shared on a 50/50 basis with program funding to a maximum of $5,000. Assuming the project is feasible, businesses can receive five-year loans, to a maximum of $50,000 towards the purchase of high technology equipment. The first two years are interest-free, with the remaining three years at a reduced interest rate. Eligible businesses must be export-oriented or involved in inter-provincial trade or contemplating such involvement.

An integral part of the initiative involves the development and delivery of a series of skill building and technology awareness seminars and workshops, sponsored in cooperation with the Canadian Manufacturers' Association.

The program was developed in conjunction with the Canadian Manufacturers' Association to ensure the needs of the Manitoba manufacturing industry were met. On-going liaison is maintained with this industry group. A private sector advisory board assesses projects and provides recommendations to the Minister. In addition, the board provides policy inputs. The program is funded through the Manitoba Jobs Fund, at a level of $1.2 million per year.

The program was announced in October, 1986 during Small Business Week. During the period to March 31, 1987, the administration and delivery mechanisms were implemented and applications received. The Manufacturing Adaptation Advisory Board was appointed including representatives from the business community, academia and labour. Four technology adaptation studies and two technology equipment loans were approved for companies from both rural Manitoba and Winnipeg.

A seminar in January on the importance of technology to small and medium size manufacturers was co-sponsored by the department and the Canadian Manufacturers' Association, involving an attendance of 65 business people. This meeting allowed for the sharing of Manitoba firms' experiences with the introduction of high technology and allowed for a public launching of the initiative.

On a yearly basis, the program is anticipating to support 20 technology adaptation studies and 25 technology equipment loans.

Winnipeg Core Area Initiative Program

The objective of the Core Area Initiative Small Business Assistance Program is to encourage the establishment, expansion and upgrading of small businesses in designated key areas of Winnipeg's Core Area.

The program was designed, implemented and funded under the Canada-Manitoba-Winnipeg Tripartite Core-Area Agreement of 1981. The activity consists of three distinct program components with $2.8 million designated funding.

The three program components are as follows:
1. The Key Site Incentive Grant Program
2. The Management Development and Business Planning Program
3. The Main Street Locational Program.

The Manitoba Design Institute

The Manitoba Design Institute was established by the Government of Manitoba in 1963 by an Act of the Legislative Assembly.

The Institute is an advisory body to the Minister of Business Development and Tourism to whom it recommends policy and programs of industrial design to complement and further the Department's economic development programs.

The main objective of the Manitoba Design Institute is to encourage Manitoba's industrial and commercial sectors to apply effectively the industrial design process as an integral part of management operation in the manufacturing of goods and provision of services.

The Institute provides design counselling services and consulting assistance for product graphics and packaging design. Liaison with the Department's other branches, notably financial and marketing consulting through the Winnipeg Business Development Centre is also provided. Design counselling services are also provided as required to clients participating in programs administered by the Department of Industry, Trade and Technology.

1. **Administration**
   Liaison with other government departments, agencies and private sector design professionals is maintained in order to provide maximum benefits to the manufacturing and business sectors.
2. **Counselling**
   The Manitoba Design Institute provided design support to over 360 clients in Winnipeg and rural Manitoba in the form of information, advice and counselling.
3. **Design Assistance**
   Design Assistance for Small Projects, a design incentive grant to encourage Manitoba manufacturers and processors to be more competitive through design was provided to 27 companies. The program, which is cost shared to a maximum of $1,000 is limited to design services only and does not cover production costs.

The MDI Board of Directors concluded the year having prepared an outline for the development of a new product development program to be implemented over the next five years. This would see the focus of the MDI shift away from design incentive grants and award programs towards an educational role. Product review programs designed to upgrade the quality of products and seminars focusing on design and world markets are the major components of this new thrust.

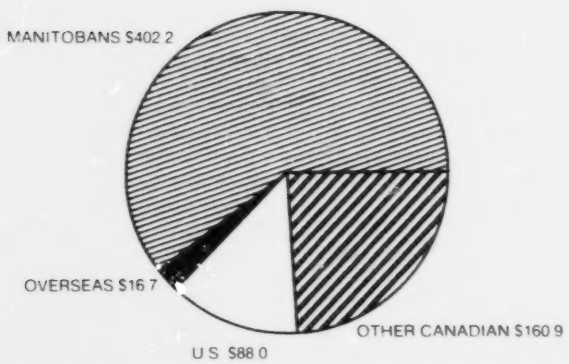
In addition, liaison has been established with the Faculty of Management at the University of Manitoba and the Competitive Edge Research Project of Design Michigan.

Travel Manitoba

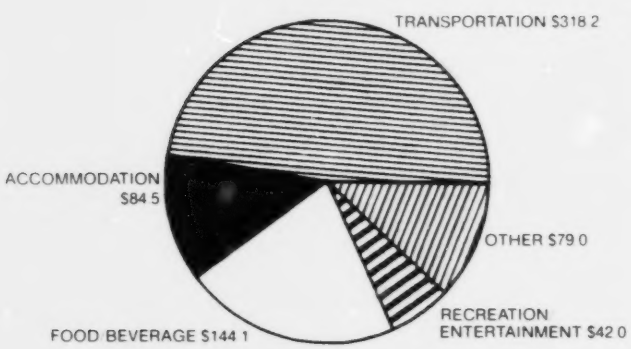
The role of Travel Manitoba is to provide support to the private sector in shaping the future development of the tourism industry in Manitoba. This is accomplished by representing and advocating tourism interests in the development of government policies, developing annual strategic and operating plans, initiating marketing and development programs.

During 1986, 7,548,300 trips were made to and within Manitoba, resulting in tourism receipts of $662.1 million. Distribution of receipts by market areas and sectors is as follows:

TOURISM RECEIPTS BY MARKET AREA
(millions of dollars)



TOURISM RECEIPTS BY SECTOR
(millions of dollars)



SOURCE: STATISTICS CANADA BUSINESS REGISTER END-YEAR 1986

Tourism Marketing Section

The objective of the Tourism Marketing Section is to enhance tourism spending by increasing resident and nonresident visitors at a rate which maintains or improves Manitoba's share of travel markets.

Marketing Development

Marketing development section reviews, analyzes, evaluates and recommends the most effective use of resources for continuing, alternative and new programs. Additionally, it researches and prepares the marketing portion of the tourism operational and strategic plans.

The 1986-87 Marketing Plan was developed, taking into consideration economic opportunities in concert with the tourism industry at the joint planning session of the Tourism Division and the Tourism Industry Association of Manitoba.

During the year, staff participated in a departmental strategic planning exercise which defined goals and objectives. In addition, a conversion study was done to determine the effectiveness of attendance at sport and vacation shows. This information is used to update and further develop a multi-year marketing plan.

Marketing Advertising

The objective of tourism advertising is to provide a strong awareness foundation of Manitoba as a potential tourist destination, thereby generating inquiries about travelling to Manitoba. Advertising provides the backdrop which direct marketing programs set, acting as a springboard for a variety of promotional activities.

The 1986-87 advertising campaign placed a strong emphasis on Manitoba's attractions and activities to foster an image of the province as a desirable vacation destination for out-of-province visitors and Manitobans alike.

Advertising featured the use of the slogan "We've Got It Great," combined with vivid visuals generating a clear identity response for Manitoba. Consumer research during the campaign clearly showed a high degree of retention and a strong image of Manitoba as a potential vacation destination combining rural, wilderness, urban and cultural attractions. Of particular interest to U.S. visitors is the growing awareness of Manitoba's ethnic diversity and related attractions, especially city restaurants and festivals.

Travel Manitoba Generic Advertising — 1986 - 1987

Market	Medium	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Minneapolis	Radio			X	X	X							
	Nwsp			X	X	X							
	Insert	X											
	Mag.		X	X	X								X
	Sup.	X	X										X
N. Dakota	T.V.	X	X									X	X
	Radio		X	X	X	X							
	Nwsp		X	X	X								
	Insert	X	X										
Manitoba	T.V.	X	X									X	X
	Radio		X	X	X	X							
	Nwsp	X	X	X	X								
	Insert	X	X										
	Mag.	X	X	X	X							X	X
Sask.	Radio		X	X	X	X							
	Mag.	X	X	X								X	X
N.W. Ont.	Radio		X	X	X	X							
	Nwsp		X	X	X	X							
	Insert		X										

Greater advertising attention was focused on specialty markets to support other marketing initiatives being undertaken. Targeted advertising in trade and consumer magazines directed at outdoor adventure, fishing, travel agents and convention planners highlighted the specialty market orientation.

Advertising emphasis was directed to specific market demands, using a variety of media as highlighted in the above table.

Marketing Promotions

The Marketing Promotions Program is responsible for direct consumer marketing activities as set in the tourism marketing plan.

During 1986-87, the promotional section participated in 17 different venues as listed:

a) General Sports Shows (5) — Chicago, Omaha, Kansas City, Toronto and Minneapolis.
b) Specialty Angling Shows (6) — St. Louis, Milwaukee, Minneapolis, Madison, Chicago and Fargo.
c) Canadian Travel and Leisure Shows (4) — Edmonton, Saskatoon, Regina and Winnipeg.
d) Travel Trade/Promotion Co-operative Shows (2) — Thunder Bay and Anaheim.

Direct personal counselling was provided to approximately 66,500 potential visitors. There were direct requests for more than 77,000 pieces of literature. Activities undertaken at sports, angling, leisure and vacation shows generated over 16,500 requests for tourist information.

The Promotions Section organized and participated in ten mall promotions throughout primary Canadian and United States markets, accompanied by Manitoba hotels, attractions and tour operators. These events included meetings with travel agents and tour wholesalers to stimulate travel to Manitoba. The various mall promotions provided direct counselling to approximately 20,000 potential visitors and distributed over 50,000 pieces of promotional literature.

Staff provided direct and written counselling to potential travellers interested in visiting Manitoba. More than 25,000 written inquiries for information were processed and bulk literature was dispatched to an additional 3,500 people. Staff also handled over 11,500 requests for travel information arising from advertising programs in United States and Canadian publications.

Group Travel Marketing

The objective of the Group Travel Marketing program is to increase tourism revenue by promoting Manitoba to travel trade and convention planners as a desirable tour and convention destination.

Travel Manitoba and Manitoba industry suppliers participated in major travel-industry conventions and marketplaces including Rendezvous Canada, Ontario Motorcoach Association, National Tour Association and the American Bus Association. Through these prime marketing and sales venues, direct contact was made with more than 250 companies in North America, Europe and the Orient. Most of these organizations have expressed interest in selling travel to Manitoba.

Promotions directed at travel agents were conducted in Chicago, Milwaukee, Minneapolis, Toronto, Dallas, Houston and Denver. Exploratory marketing work was also done in California through participation in the Anaheim Sports Show and direct sales calls in the Southern California market.

Twenty-eight tour operators from Europe and North America were hosted on familiarization tours of the province. These tours enable group-tour professionals to see and experience Manitoba's attractions and products and to negotiate directly with industry suppliers. Twelve new tour packages to Manitoba resulted from these tours.

The group tour marketing program has resulted in a 25% increase in the number of tours planned for the 1987 season.

The objectives of the meeting and convention program are to increase the number of meetings and conventions held in Manitoba, the number of attending delegates and the number of days that delegates spend in the province before and after meetings and conventions.

The meeting and convention program is a co-operative endeavor between Travel Manitoba and convention hotels, the Brandon and Winnipeg Convention and Visitors Bureaus, the Winnipeg Convention Centre and Tourism Canada.

Staff of the Group Travel Section and industry suppliers marketed Manitoba's meeting and convention products at major international conventions and formal marketplaces. These included Tourism Canada programs in Chicago and Washington, the annual marketplaces of the Institute of Association Executives, the American Society of Association Executives and Meeting Planners International.

Two site inspections were organized in conjunction with the Winnipeg Convention Centre, the Winnipeg Convention and Visitors bureau and local industry suppliers to acquaint qualified U.S.-based meeting planners with Manitoba's convention products.

Assistance was provided to more than 200 organizations requiring counselling services, audio-visual assistance and delegate literature and promotional items for distribution.

In the calendar year 1986, 59,738 delegates at 219 conventions in Winnipeg generated $33,400,000 direct spending.

Marketing: Support Services

The objective of the Marketing Support Services program is to produce an appropriate selection of tourist information and promotional publications and related marketing support materials in a manner consistent with marketing strategies.

The Support Services Section produces all Tourism publications and related promotional materials including written, photographic, display and audio-visual materials. The major thrust of the Support Services program during the 1986-87 fiscal year was the implementation of a detailed Publication Action Plan based upon the results and conclusions of a consultant's review of Travel Manitoba publications undertaken in 1985.

The aim of the Publications Action Plan is to dovetail with the 1987 Advertising Plan and overall Marketing Strategy forming a multi-pronged yet fully integrated product-specific approach which emphasizes vertical market segmentation. As a direct consequence of implementing the Publications Action Plan, existing long-standing tourism publications such as the traditional Manitoba Vacation Guide underwent major design changes and updating in 1986-87.

The former Vacation Guide was subdivided into a separate Vacation Planner and an Accommodations Travel Services Guide. Using a full colour magazine format the Vacation Planner combines tourism "lure" style copy and photographs with detailed information on each of Manitoba's eight tourism regions. The detailed Accommodations and Travel Services guide lists hotels, motels, campgrounds, tour operators, golf courses, vacation farms and bed-and-breakfast homes.

The sports and trophy angling market received special consideration with the development of a full colour Fishing Adventure "lure" publication supplemented by a detailed Lodges and Outfitters Guide and Master Angler Awards booklet, updated annually.

In co-operation with the Parks Branch, a "lure" publication was developed which promotes Manitoba's provincial parks, along with Riding Mountain National Park, as exciting vacation destination areas.

Concern with changing lifestyles of Manitobans and visitors alike led to the preparation of a separate publication devoted to outdoor nature self-education. This full colour publication titled "Manitoba Outdoor Adventure" meets the needs of this rapidly growing non-consumptive tourist market. In addition, the twice-yearly Events guide along with related supplementary publications were redesigned to link with the new publications series format.

Distribution through departmental tourist information outlets and co-operative distribution with the Tourism Industry Association of Manitoba regional visitor information outlets accounted for more than 60% of stocks. In addition, media in Canada and the U.S.A., as well as travel planners, tour operators, business and convention and meeting planners continued to use large quantities of Travel Manitoba publications during the past year.

In 1986, Travel Manitoba's publication the "Manitoba Convention Facilities Guide" received a national award for outstanding quality from "Convention and Meetings Canada," recognizing the department's commitment to the development of the province's group travel and convention industry.

An ongoing key information activity undertaken by Support Services in the preparation and distribution of feature articles and press releases on Manitoba's diverse tourism attractions, events and festivals. These are distributed to a mailing list of approximately 1700 magazines, newspapers and tourism trade publications in Canada, the U.S.A. and abroad. In addition, a broad cross-section of electronic media are also contacted on a regular basis, targeting Manitoba as an exciting vacation destination with much to offer.

Linking closely with the Media Relations program of Support Services is the annual writer-tour program which hosts international writers, photographers and electronic media journalists covering travel assignments throughout Manitoba. This program is cost shared with the Manitoba tourism industry and Tourism Canada where applicable. Resulting stories on Manitoba appearing in Canadian, U.S.A. and international media are monitored by press clipping services with significant coverage from the entire media relations/writer tour program during 1986-87, being estimated at approximately $3.4 million in advertising cost equivalency.

A major promotional display development was also undertaken during 1986 with a complete revamping of displays and related materials. These are used extensively at tourism promotional shows in key Canadian and U.S.A. market locations.

Visitor Information Services

The objective of the Visitor Information Service program is to encourage residents and visitors to increase their travel within the province through the provision of travel information and personal travel counselling.

At two permanent and eight seasonal tourist information centres, staff provided trip planning assistance to 69,317 inquirers in 1986, a figure which represents about 201,019 people. Two mobile information caravans attended 14 summer fairs, festivals and special events throughout the province and six U.S. locations where marketing services were provided.

Written and telephone inquiries generated 62,888 computerized responses, including 22,927 letters of reply. About three million pieces of travel-related literature were distributed in total.

Recorded telephone announcements were provided at the Legislative Building Travel Reception Centre's 24-hour visitor inquiry facility.

The Quality Assurance Program undertakes inspection, licensing and star-rating of transient accommodation facilities to ensure product quality and maintain consumer satisfaction. Staff made 657 inspections and investigated 60 consumer complaints.

Six specialized Travel Counsellor Market Training seminars were presented in communities sponsoring visitor information centres across Manitoba.

Human Resources Development

The objective of the Human Resources Development program is to co-ordinate training of personnel for the hospitality industry of Manitoba.

The program operated a hospitality resource centre with audio-visual aids, technical manuals, publications and film equipment for use by hospitality personnel and operators.

A number of effective customer services training programs have been developed. They include a skills training program offered in conjunction with the Manitoba Hotel Association; a sanitation program

offered in conjunction with the Manitoba Restaurant and Food Services Association; a career awareness program offered in conjunction with the Manitoba Careers Symposium; hospitality management programs offered in conjunction with the Manitoba Hotel Association and the Manitoba Restaurant and Food Services Association; and a customer service program, Hospitality Plus, offered in conjunction with the Tourism Industry Association of Manitoba. The programs are offered at various locations throughout the province.

Planning and Research Section

The objective of the Planning and Research Section is to assist and encourage the orderly development of tourism facilities, services, attractions and provincial programs by providing tourism planning services and research co-ordination.

The section co-ordinated the preparation of the 1987-88 Travel Manitoba Tourism Marketing Plan and participated in the evaluation and extension of the departmental strategy.

The Planning and Research Section supports the executive function in federal and provincial relations including the development of policy papers used for the Federal/Provincial Ministers of Tourism Conference held in Winnipeg in November, 1986. Position papers were also developed for a subsequent Minister's Conference held in Quebec City in the spring of 1987.

The section co-ordinated the following tourism research activities:

1. Completion of market segment surveys in Winnipeg, Fargo and Minneapolis.
2. Annual tourism traffic surveys on primary highway access routes.
3. Completion of the accommodation occupancy survey.
4. Redevelopment of the visitor reception centre survey.

Section staff represented tourism interests on various interdepartmental working committees related to the Core Area Agreement, the East Yards project and the River Renewal program.

Planning staff managed the planning, research and evaluation components of Program 7 of the Canada-Manitoba Tourism Agreement, 1985-1990.

Tourism Development Section

The objective of the Tourism Development Section is to facilitate the orderly development, expansion and modernization of viable tourism attractions and facilities in Manitoba.

Tourism Development specialists provide direct consulting assistance to prospective and existing tourism operators in the province. This assistance for projects generally comprises project planning, feasibility assessment, market analysis, regulatory requirements and financing, including liaison with financial institutions and various funding agencies. During 1986-87, assistance was provided to about 600 prospective and existing tourism operators.

The development staff initiated and served on various inter-governmental and interdepartmental boards and committees such as the Parks/Tourism Resort Development Committee, Wilderness Adventure/Special Market Study, Recreational Development Authority Task Force, York Factory Redevelopment Task Force, Outfitting Moratorium Review and on the Technical Advisory Committee on the proposed New Environment Act to ensure that tourism interests were taken into account in policy and program development.

The Development Section has become involved in the promotion of specific investment opportunities identified in the Rural Resort and Winnipeg Attractions studies. These will involve the preparation of site-specific investment opportunity brochures and the presentation of such information to interested investors and investment groups.

The Licensing Advisory Committee continued to advise the Minister on issuing or suspending licenses to operators of transient accommodation facilities. Development consultants provided administrative and analytical services to the Advisory Committee and co-ordinated departmental data for decisions on recommendations for new or expanded tourism facilities.

Cultural and Heritage Initiatives Section

The objective of the Cultural and Heritage Initiatives Section is to provide consultative services in the area of product improvement, development and marketing of new and existing events. Expansion and improvement of existing tourism events is encouraged where feasible and new event development explored.

Continuing liaison is maintained with related municipal, provincial and federal departments who are active in the areas of culture, multiculturalism and heritage with respect to funding programs and regulations applicable to events development in Manitoba.

Numerous special events, departmental and industry initiatives were assisted by the Section through the provision of production and organizational assistance.

A major task begun by the Section during 1986-87 was the preparation of materials and organization for the staging of a first year conference on Tourism, Culture, Multiculturalism and Heritage scheduled for the fall of 1987.

Canada/Manitoba Tourism Development Agreement 1985-1990

The Canada-Manitoba Subsidiary Agreement on Tourism Development has the following objectives:

a) To stimulate the development of internationally recognized tourism destinations in Manitoba through the development of tourism attractions, events, and resort facilities;
b) To reduce Manitoba's tourism deficit through the stimulation of:
   i) increased numbers of visitors from international and inter-provincial markets;
   ii) increased opportunities for Manitobans to vacation within Manitoba; and
   iii) increased length of stay by non-resident visitors to Manitoba;
c) To stimulate increased private sector investment in tourism; and
d) To improve the productivity of selected sectors of the tourism industry.

The Agreement commits $30 million to the development of Manitoba's tourism industry and is cost-shared 50 percent by the federal Department of Regional Industrial Expansion and 50 percent by the provincial Department of Business Development and Tourism.

Under this Agreement, four destination areas have been designated as primary foci for clustered development and marketing support: Eastern Precambrian region; Lake Winnipeg Beaches/Hecla region; Winnipeg; and Riding Mountain/Duck Mountain region.

This Agreement also recognizes four specialty products for marketing and development attention: sports angling; wilderness adventure; naturalist self-education; and convention, meeting and incentive travel.

The Agreement Management Committee is responsible for the management and general administration of the Agreement. Private sector contribution to the administration if the Agreement is ensured through the appointment of a Tourism Agreement Advisory Board and the appointment of private sector representatives on each of the seven Program Review Committees.

The Agreement is divided into seven complementary programs which are summarized as follows:

Program 1 — Marketing Expansion

A total of $5 million has been allocated to this program which is designed to expand the inter-provincial and international markets for travel to Manitoba. Activities eligible for assistance under this program include:

a) the development and marketing of new package tours to Manitoba;
b) participation in travel trade or consumer marketplaces;
c) co-operative advertising;
d) travel trade familiarization;
e) the marketing of meetings and conventions and of major special events;
f) activities that will improve the marketing skills of Manitoba tourist operators; and
g) improvements to Manitoba's tourist information system.

A total of 33 projects were approved during the 1986-87 fiscal year.

Program 2 — Tourism Resorts, Attractions and Facilities

The objective of this program is to encourage the development and expansion of major private sector resorts, attractions and related facilities located in identified destination areas or projects serving specific specialty markets. In addition, the public sector and municipalities may apply for infrastructure support of specific private sector developments. A total of $8.0 million has been allocated for this program.

A total of 16 proposals for assistance were received during the year. Funding assistance in the amount of $1.2 million was approved for two major projects.

Program 3 — Winnipeg Attractions

The $9.5 million allocated to this program is to provide incentives for the development of new major attractions or expansion of existing major attractions in the City.

Nine applications for funding assistance were received. Staff are assisting in planning related the development of major attractions such as a festival market, a permanent theme park for the Red River Exhibition, a Children's Zoo and a major tourism attraction for the East Yards site.

Program 4 — Rural Attractions

This program is designed to stimulate the development of major new attractions and the expansion of existing attractions in the designated destination areas, and projects serving specialty markets. Proposals will be received from the public sector, municipal authorities and not-for-profit organizations. There is a total of $4.0 million available under this program. During 1986-87, 14 funding proposals were received.

Program 5 — Tourism Events

The $2.0 million in assistance available under this program is to support the organization, development and marketing of major new recurring tourism events in Manitoba, as well as supporting expansion of existing major recurring events.

Twenty applications for funding support have been received under this program. Departmental staff have assessed and are recommending financial support to a number of major new recurring tourism events.

Program 6 — Industry Productivity Enhancement

The purpose of this program is to improve the productivity of Manitoba's tourism industry. Activities eligible for $0.5 million in support will be aimed at the development of human resources; the improvement of operating standards and systems; and adoption of new products and technology.

In compliance with the program guidelines, nominations were requested from industry organizations for the establishment of the Tourism Industry Productivity Advisory Committee. This committee has been established by the Agreement Management Committee with the assistance of the industry to review and make recommendations on requests for assistance.

Program 7 — Administration, Strategic Research, Planning, Evaluation and Public Information

Program 7 provides for the central administration, support services and public information costs of the Agreement, as well as program evaluation activities. The program also funds tourism research and planning activities related to the agreement.

The agreement evaluation framework was completed during the year and the evaluation data system and procedures were established. The evaluation system will provide a computer database of information available for use should a complete agreement evaluation be required in the final year of delivery.

The program funded the completion of a tourism development opportunities study for the Gimli area undertaken by the Gimli Harbour Park Development Board. In addition, approvals were put in place for supporting a similar assessment for the Lac du Bonnet area of the Eastern Precambrian destination area.

Program 7 will be funding the development of investment opportunity brochures designed to stimulate investment in new four-season resort facilities at key locations in the rural destination areas.

Business Development and Tourism

Summary of Grants Paid — 1986-1987 Fiscal Year

1.	Manitoba Horse Racing Commission	$4,817,847.40
2.	Travel Manitoba	249,380.00
3.	Destination Manitoba (Federal-Provincial Cost-Shared)	88,391.65
4.	Destination Manitoba — Capital Grants	2,883,061.43
5.	1985 - 1990 (Federal-Provincial Cost-Shared)	269,349.36
6.	1985 - 1990 Capital Grants	700,000.00
7.	Design Assistance (Manitoba Design Institute)	17,630.74
8.	Counselling Assistance to Small Enterprise (CASE)	10,583.32
9.	Small Business Incentive Payments	128,617.69
10.	Other Payments (Towns, etc.)	20,500.00
11.	Regional Development Corporations	593,300.00
12.	Job Fund Projects	97,250.00
13.	Winnipeg Core Area Initiative Payments	396,507.37
		$10,272,418.96

1. Manitoba Horse Racing Commission	$4,817,847.40
2. Travel Manitoba	
Tourism Industry Association of Manitoba (Central Office)	49,900.00
Tourism Industry Association of Manitoba (Winnipeg Convention and Visitors Bureau)	96,200.00
Tourism Industry Association of Manitoba Interlake Region	12,089.00
Tourism Industry Association of Manitoba Central Plains	8,459.00
Tourism Industry Association of Manitoba Eastman Region	13,189.00
Tourism Industry Association of Manitoba Pembina Valley Region	9,134.00
Tourism Industry Association of Manitoba Westman Region	12,235.00
Tourism Industry Association of Manitoba Parkland Region	14,545.00
Tourism Industry Association of Manitoba North of 53	18,029.00
Brandon Visitors and Convention Bureau	15,600.00
	$ 249,380.00
3. Destination Manitoba (Federal Provincial Cost Shared)	
Town of Steinbach	2,000.00
Town of Stonewall	12,500.00
Community Folk Art Council	22,380.00
Festival du Voyageur	7,460.00
Folk Arts Council of Winnipeg	7,461.98
Tourism Industry Association — Winnipeg Convention Centre	11,400.00
Hotel Sales and Marketing Association	1,500.00
Manitoba Lodges and Outfitters Association	19,189.67
Manitoba Organization of Festival and Events	4,500.00
	$ 88,391,65
4. Capital Grants — Destination Manitoba	
North Portage Development (IMAX Theatre)	2,275,000.00
Winnipeg Chinatown Development	150,000.00
Rainbow Stage	50,000.00
Winnipeg Convention Centre	50,000.00
Royal Canadian Artillery Museum	29,145.00
International Peace Garden	25,000.00
Maskwa Project Inc.	4,101.00
Brandon Convention and Visitors Bureau Inc.	6,180.00
Lynn Lake Mining Town Museum Inc.	6,000.00
Minnedosa Agricultural Society	14,157.00
Town of The Pas	2,675.00
Churchill Chamber of Commerce	27,162.00
Race Committee of the Pilot Mound and District Chamber of Commerce	3,176.00
Natural Resources	100,000.00
Winnipeg Sports Car Club	25,000.00
Falcon Beach Riding Stables	2,932.00
Nanuk Enterprises Ltd.	4,030.00
West Hawk Motel & Cabins	12,500.00
Tonapak Lodge Ltd.	6,250.00
South Knife Lake Lodge	4,753.43
Valley Agricultural Society	85,000.00
	$2,883,061.43

5. 1985 - 1990 (Federal Provincial Cost Shared)	
Frontiers North Inc.	2,500.00
Agassiz Enterprises (1980) Ltd.	725.00
Later Enterprises Ltd.	893.00
Elkhorn Ranch and Resort Ltd.	466.00
The Fort Garry	420.00
The Westin Hotel	867.50
Destination Downtown	25,408.00
Chicago Blitz Committee	15,170.00
Contemporary Dancers Canada	33,808.00
Canadian Country Music Week Inc.	30,000.00
Tourism Industry Association of Manitoba Eastern Region	16,811.00
Tourism Industry Association of Manitoba Western Region	17,765.00
Tourism Industry Association of Manitoba Interlake Region	17,911.00
Tourism Industry Association of Manitoba Pembina Valley Region	20,866.00
Tourism Industry Association of Manitoba Central Plains Region	22,219.00
Tourism Industry Association of Manitoba North of 53	11,971.00
Tourism Industry Association of Manitoba Parkland Region	15,455.00
Hotel Fort Garry Consortium	10,493.86
Gimli Harbour — Park Development Corporation	14,000.00
Harferd Productions of Canada Ltd.	11,600.00
	$ 269,349.36
6. 1985 - 1990 Capital Grants	
North Portage Development (IMAX Theatre)	$ 700,000.00
7. Design Assistance (Manitoba Design Institute)	
Joan Allen Foods	950.00
Overland Truck Campers	1,000.00
Discovery Furniture Ltd.	1,000.00
Arion (Mfg.) of Canada	1,000.00
Terromar Marketing Inc.	239.18
Swinger Boats	1,000.00
Almetal Extendible Co.	920.00
Innovative Vehicle Design	1,000.00
Com Stat Systems Ltd.	425.00
Cavalier Candies Ltd.	1,000.00
European Art Glass Ltd.	704.56
Bill V. Balan/Kolos F.	418.00
Tasty Minit Foods (1987)	1,000.00
Integrated Engineering	1,000.00
N/C Products (1978) Ltd.	970.42
R & R Divisional Markets	522.25
Dranjer Corporation	536.68
Fouillard Trailer Sale	1,000.00
Concise Technik Ltd.	425.02
Malnar Industries Ltd.	821.89
Inventronics Ltd.	1,000.00
Birds Fine Feed	697.74
	$ 17,630.74

8.	Counselling Assistance to Small Enterprise (CASE)	10,583.32
9.	Small Business Incentive Payments	
	Manitoba Marketing Net	30,000.00
	Repko Fine Foods Ltd.	3,827.69
	Duarte Manual	2,000.00
	Auroral Enterprises Ltd.	3,000.00
	Portage Metal Industries	2,000.00
	Romanow James D.	2,500.00
	Dexmar Plastics Inc.	24,000.00
	Dexmar International Inc.	37,000.00
	Arion (Mfg.) of Canada	1,500.00
	F S P Machinery Co. Canada	10,000.00
	Alfonso's Food Product	1,450.00
	Brunswick Filing System	3,340.00
	Woods, Gordon	2,000.00
	Beaton Industries	2,000.00
	Calpino Woodworking Ltd.	1,500.00
	Pamela Ainslee Collections	2,500.00
		$ 128,617.69
10.	Other Payments (Towns, etc.)	
	South East-Man Development Committee	8,000.00
	Morris/St. Jean Development Committee	10,000.00
	Norshel Centre Inc.	1,500.00
	Cranberry Portage Economic Development Commission	1,000.00
		$ 20,500.00
11.	Regional Development Corporations	
	Central Plains Inc.	98,800.00
	East-Man Regional Development Inc.	93,800.00
	Interlake Development Corp. Inc.	106,000.00
	Norman Regional Development Inc.	99,100.00
	Parkland Regional Development Inc.	104,100.00
	Pembina Valley Development Corp.	91,500.00
		$ 593,300.00
12.	Jobs Fund Projects	
	Dakota Spiritual Society	2,250.00
	Norman Regional Development	35,000.00
	Manitoba Metis Community Investments Inc.	60,000.00
		$ 97,250.00
13.	Winnipeg Core Area Initiative Payments	
	72222 Manitoba Ltd.	500.00
	Manitoba Crafts Council	620.00
	Axworthy, Robert	1,500.00
	Broadway Management Ltd.	2,000.00
	Suche P.C. & Miles Janice	1,960.98
	Citi/Books Cooperative Ltd.	2,000.00
	Discovery Furniture Ltd.	1,950.00

Koren, Danny	2,804.51
N T Investments Ltd.	2,426.73
Images of Judith Ltd.	11,707.50
Haddon Hall (1981) Ltd.	11,662.50
Industrial Process Design Corporation Ltd.	8,100.00
Hovmand Galleries, A Division of Art Importers Ltd.	4,098.03
Tai Fat Trading Manitoba Ltd.	12,500.00
City Radiator Service	2,700.00
Medi-Save Drug Mart Ltd.	21,435.00
Edison Electric (Man.) Ltd.	7,863.71
Furgale Industries Ltd.	8,408.40
Metal Tech Industries Ltd.	10,000.00
New Horizon Construction Ltd.	500.00
Jakes Custom Woodcraft	2,484.58
Dynasty Bathrooms Ltd.	1,937.00
North Winnipeg Credit Union Ltd.	12,500.00
Reliance Dental Laboratory	7,650.00
Wawel Meat Market	1,942.50
Todaschuk Sisters Ukrainian Boutique/Sylvia's Studio Silhouette	5,106.56
Donut House Ltd.	17,256.00
Selkirk Furniture Upholstery and Supply	11,322.00
La Caisse Populaire	5,500.00
H. Deschambault Ltd.	5,355.63
Vicuna Wool Studio	8,683.20
Osborne Video	2,228.62
Moxleys Rentals	6,700.76
Fenton's Gourmet Foods	6,171.78
Osborne Dairy Products	12,500.00
454 Central Park W Ltd.	8,131.94
Winnipeg Typewriters Ltd.	2,727.00
Concourse Gallery	12,000.00
Golden Grill Restaurant	3,115.00
Glass House	7,358.50
Polaris Enterprises Ltd.	12,500.00
Frost (78) Beauty Supply Ltd.	12,500.00
Kharsad Enterprises Ltd.	25,000.00
Trident Press Ltd.	6,485.85
Economy Furniture Co. Ltd.	4,261.05
Main Meats	1,552.23
Family Hamburger House	4,817.88
K-West Distributors Ltd.	4,432.24
M & S Meats Ltd.	12,500.00
Progress Candy (1977) Ltd.	1,538.19
Korban Funeral Chapel	12,500.00
Savoy Hotel	12,500.00
Veteran Furrier	3,000.00
House of Travel Ltd.	1,500.00
Yee Investments Ltd.	14,500.00
Golden Hand Jewelry	511.50
Dragon's Den	1,000.00
University of Winnipeg	10,000.00
	$ 396,507.37

Appendix A

Department of Business Development and Tourism

1986-87 Expenditure Department Summary

Main Appropriation	Requested 1986-87	
Administration (33-1)	$ 651.7	
Business Development (33-2)	$ 3,155.6	(1)
Tourism (33-3)	$10,318.8	(2)
Total Operating Expenditures	$14,126.1	(2)
Expenditures Related to Capital Assets (33-4)	$ 3,480.0	
Total Expenditures	$17,606.1	
Total Staff Years	112.47	
Total Revenues	$ 3,316.0	(3)

Note 1
$5,000,000 for Venture Capital will be provided by authority of the Jobs Fund.

Note 2
Total Expenditures of $5,008,800 do not reflect holdbacks totalling $1,252,200 retained in the Canada-Manitoba Enabling Vote, as detailed in the printed Main Estimates of Expenditure. Total Expenditures, including holdbacks would be $6,260,900.

Note 3
Total Revenues of $3,316,000 are based on Expenditures of $6,260,900.

Appendix B

Business Development and Tourism

Expenditure Comparison by Appropriation

Fiscal Year 1985-86 vs. Fiscal Year 1986-87

Approp. No.	Service	1986/87 Actual ($)	1985/86 Actual ($)	Variance $	Explanation Number
33-1	Administration	530.9	629.6	(98.7)	
33-2	Business Development	3,166.1	3,229.7	(63.6)	
33-3	Tourism	10,665.9	10,683.7	(17.8)	
TOTAL OPERATING EXPENDITURES		14,362.9	14,543.0	(180.1)	
33-4	Expenditures Related to Capital	3,583.1	2,622.8	960.3	
TOTAL EXPENDITURES		17,946.0	17,165.8	780.2	
33-1	ADMINISTRATION				
	a) Minister's Salary	10.2	18.1	(7.9)	1
	b) Executive Support				
	Salaries	113.4	206.0	(92.6)	2
	Other Expenditures	38.4	69.2	(30.8)	3
	c) Strategic Planning				
	Salaries	107.1	118.2	(11.1)	
	Other Expenditures	27.1	27.0	0.1	
	d) Communications				
	Salaries	84.8	99.5	(14.7)	
	Other Expenditures	149.9	91.6	58.3	4
TOTAL 33-1		530.9	629.6	(98.7)	
33-2	BUSINESS DEVELOPMENT				
	a) Small Business and Regional Development				
	Salaries	1,575.1	1,506.5	68.6	
	Other Expenditures	1,591.0	1,723.2	(132.2)	
TOTAL 33-2		3,166.1	3,229.7	(63.6)	
33-3	TOURISM				
	a) Travel Manitoba				
	Salaries	1,595.3	1,465.1	130.2	
	Other Expenditures	2,453.1	3,362.1	(909.0)	5
	Grant Assistance	189.4	187.8	1.6	
	b) Canada-Manitoba Tourism Agreement Destination Manitoba				
	Salaries	—	196.3	(196.3)	6
	Other Expenditures	199.9	504.9	(305.0)	7
	c) Canada-Manitoba Tourism Agreement 1985-1990				
	Salaries	397.0	124.3	272.7	8
	Other Expenditures	1,013.4	129.5	883.9	9
	d) Manitoba Horse Racing Commission				
	Grant Assistance	4,817.8	4,713.7	104.1	10
TOTAL 33-3		10,665.9	10,683.7	(17.8)	

Expenditure Comparison by Appropriation (cont'd)

Fiscal Year 1985-86 vs. Fiscal Year 1986-87

Approp. No.	Service	1986/87 Actual ($)	1985/86 Actual ($)	Variance $	Explanation Number
33-4	EXPENDITURES RELATED TO CAPITAL				
	a) Capital Grants				
	1. Canada-Manitoba Tourism Agreement Destination Manitoba	2,883.1	2,622.8	260.3	
	2. Canada-Manitoba Tourism Agreement 1985-1990	700.0	—	700.0	11
TOTAL 33-4		3,583.1	2,622.8	960.3	

Explanatory Notes

For Expenditure Comparison by Appropriation

Fiscal Year 1985-86 vs. Fiscal Year 1986-87

Explanation Number

1. In 1986-87 the Minister's salary was split between the Department of Business Development and Tourism and the Department of Housing.
2. Reflects unused salaries due to vacancies.
3. Decrease in level of support due to vacancies led to reduction in general operating costs and travel-related expenditures.
4. Increase reflects additional fee for service work during 1986-87.
5. Decrease due to 1985-86 Tourism Advertising Campaign not repeated in fiscal 1986-87 in line with the direction of the Exercise Restraint Program.
6. Destination Manitoba Agreement Staffing phased out at the end of fiscal year 1985-86.
7. Outstanding commitments under the Destination Manitoba Agreement not completed in 1985-86 were met in 1986-87.
8. Increase reflects staffing requirements of the 1985-1990 Tourism Agreement.
9. Increase reflects fact that program was not fully operational until fiscal year 1986-87.
10. A portion of an expenditure increase authorized by Special Warrant to meet cost requirements of the added 3% plus support to thoroughbred breeders was not used due to lower wagering levels than originally anticipated.
11. Capital provisions for program delivery of Agreement started with payment re: IMAX Theatre in 1986-87.

Appendix C

Business Development and Tourism

Comparison of 1986-87 Actual Revenue to 1986-87 Printed Estimate

Revenue Source	1986/87 Actual	1986/87 Estimate	Variance	Explanation Number
CURRENT OPERATING PROGRAMS				
Government of Canada				
Tourism Agreement — Destination Manitoba	113.6	120.0	(6.4)	
Tourism Agreement 1985 - 1990	680.4	930.5	(250.1)	1
Total	794.0	1,050.5	(256.5)	
CURRENT OPERATING PROGRAMS				
Other Revenue				
Travel Manitoba	14.1	15.5	(1.4)	
Sundry	54.5	50.0	4.5	
Total	68.6	65.5	3.1	
REVENUE RELATED TO CAPITAL ASSETS				
Government of Canada				
Tourism Agreement — Destination Manitoba	1,721.3	1,770.8	(49.5)	
Tourism Agreement 1985 - 1990	350.0	350.0	—	
Total	2,071.3	2,120.8	(49.5)	
TOTAL REVENUE	2,933.9	3,236.8	(302.9)	

Explanatory Note

1. Underexpenditure due to delays in major project implementation.

Appendix D

Business Development and Tourism

Comparison of 1985-86 Actual Revenue to 1986-87 Actual Revenue

Revenue Source	1986/87 Actual	1985/86 Actual	Variance	Explanation Number
CURRENT OPERATING PROGRAMS				
Government of Canada				
Tourism Agreement — Destination Manitoba	113.6	382.2	(268.6)	1
Tourism Agreement 1985 - 1990	680.4	130.0	550.4	2
Total	794.0	512.2	281.8	
CURRENT OPERATING PROGRAMS				
Other Revenue				
Travel Manitoba	14.1	16.7	(2.6)	
Sundry	54.5	46.6	7.9	
Total	68.6	63.3	5.3	
REVENUES RELATED TO CAPITAL ASSETS				
Government of Canada				
Tourism Agreement — Destination Manitoba	1,721.3	1,573.7	147.6	
Tourism Agreement 1985 - 1990	350.0	—	350.0	3
Total	2,071.3	1,573.7	497.6	
TOTAL REVENUE	2,933.9	2,149.2	784.7	

Explanatory Notes

1. Outstanding commitments under Destination Manitoba Agreement not completed in 1985-86 were met in 1986-87.
2. Increase reflects fact that program was not fully operational until fiscal 1986-87.
3. Capital provisions for program delivery of Agreement started with payments re: IMAX Theatre in 1986-87.